

AMENDED IN SENATE AUGUST 17, 2016

AMENDED IN SENATE JUNE 30, 2016

AMENDED IN SENATE JUNE 20, 2016

AMENDED IN ASSEMBLY JANUARY 14, 2016

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 700

Introduced by Assembly Members Gomez and Levine

February 25, 2015

An act to amend Sections 82025, 84305, 84310, 84501, 84505, 84506.5, 84511, and 85704 of, to add Sections 84504.1, 84504.2, and 84504.3 to, to repeal Sections 84506, 84507, and 84508 of, and to repeal and add Sections 84502, 84503, 84504, and 84509 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 700, as amended, Gomez. Political Reform Act of 1974: campaign disclosures.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing and activities. The act requires a committee that supports or opposes ballot measures to name and identify itself using a name or phrase ~~the~~ *that* clearly identifies

the economic or other special interests of its major donors of \$50,000 or more. The act also requires that if the major donors share a common employer, the identity of the employer be disclosed.

This bill would repeal these provisions.

(2) *The act defines “expenditure” as a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes.*

This bill would describe circumstances in which a payment would be made for political purposes within the meaning of the definition of “expenditure.”

(2)

(3) The act prohibits a candidate, committee, or slate mailer organization from expending campaign funds to pay for specified telephone calls that advocate support of, or opposition to, a candidate, ballot measure, or both, unless the name of the organization that authorized or paid for the call is disclosed to the recipient of the call during the course of each call.

This bill would instead make these requirements applicable to a candidate, a candidate controlled ~~committee~~, *committee established for an elective office for the controlling candidate*, a political party committee, and a slate mailer organization that expends campaign funds to pay for such telephone calls.

(3)

(4) The act also requires advertisements, as defined, to include prescribed disclosure statements, including, among others, a requirement that the disclosure statements include the names of the persons who made the 2 highest cumulative contributions, as defined, to the committee paying for the advertisement.

This bill would repeal and recast provisions of the act relating to advertisement disclosure statements. Among those changes, this bill would revise the definition of “advertisement” to exclude a number of communications, including communications paid for by a ~~political party committee~~ or person who is not a ~~committee~~, *committee* and communications that involve wearing apparel, sky writing, and certain electronic media communications, as specified. *The bill would prohibit specified entities from sending a mass electronic mailing, as defined, unless the name of the candidate or committee are shown in the electronic mailing preceded by the words “Paid for by” in at least the same size font as a majority of the text in the mass electronic mailing.*

The bill would also replace existing advertisement disclosure statements with newly prescribed disclosure statements that identify the name of the committee paying for the advertisement and the top contributors to the committee paying for the advertisement. The bill would define “top contributors” for purposes of these provisions as the persons from whom the committee paying for the advertisement received its 3 highest cumulative contributions, as specified. The bill would exempt certain committees, including committees that make independent expenditures totaling \$1,000 or more in a calendar year, from the requirement to disclose the top contributors in advertisement disclosure statements. The bill would also prescribe location and format criteria for the disclosure statements that are specific to radio and telephone, television and video, print, and electronic media advertisements.

(4)

(5) The act prohibits a person from making a contribution as an intermediary on behalf of another person without disclosing to the recipient of the contribution specified information about both the intermediary and the source of the contribution. The act also prohibits a person from making a contribution to a committee on the condition or with the agreement that it will be contributed to a particular candidate unless the contribution is disclosed in compliance with those requirements for contributions made by an intermediary.

This bill would revise the latter provision to prohibit a person from making a contribution to a committee or candidate that is earmarked for a contribution to another committee, *ballot measure*, or candidate, unless the contribution is disclosed in compliance with the requirements for contributions made by an intermediary. The bill would also describe circumstances in which a contribution is deemed to be earmarked.

(5)

(6) Because a violation of the act is punishable as a misdemeanor, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(6)

(7) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act’s purposes

upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares both of the*
2 *following:*

3 *(a) For voters to make an informed choice in the political*
4 *marketplace, political advertisements should not intentionally*
5 *deceive voters about the identity of who or what interest is trying*
6 *to persuade them how to vote.*

7 *(b) Disclosing who or what interest paid for a political*
8 *advertisement will help voters be able to better evaluate the*
9 *arguments to which they are being subjected during political*
10 *campaigns and therefore make more informed voting decisions.*

11 *SEC. 2. Section 82025 of the Government Code is amended to*
12 *read:*

13 82025. *(a) “Expenditure” means a payment, a forgiveness of*
14 *a loan, a payment of a loan by a third party, or an enforceable*
15 *promise to make a payment, unless it is clear from the surrounding*
16 *circumstances that it is not made for political purposes.*
17 *“Expenditure” does not include a candidate’s use of his or her own*
18 *money to pay for either a filing fee for a declaration of candidacy*
19 *or a candidate statement prepared pursuant to Section 13307 of*
20 *the Elections Code. An expenditure is made on the date the*
21 *payment is made or on the date consideration, if any, is received,*
22 *whichever is earlier.*

23 *(b) A payment is made for political purposes if it is any of the*
24 *following:*

25 *(1) For the purpose of influencing or attempting to influence*
26 *the action of the voters for or against the nomination or election*
27 *of a candidate or candidates, or the qualification or passage of*
28 *any measure.*

29 *(2) Made by any of the following:*

30 *(A) A candidate, unless it is clear from surrounding*
31 *circumstances that the payment was made for personal purposes*
32 *unrelated to his or her candidacy or status as an officeholder.*

1 (B) A controlled committee.

2 (C) An official committee of a political party, including a state
3 central committee, county central committee, assembly district
4 committee, or any subcommittee of such committee.

5 (D) An organization formed or existing primarily for political
6 purposes, as described in paragraph (1), including, but not limited
7 to, a political action committee established by any membership
8 organization, labor union, or corporation.

9 (c) “Expenditure” includes any monetary or nonmonetary
10 payment made by any person, other than the persons or
11 organizations described in subdivision (b), that is used for
12 communications that expressly advocate the nomination, election,
13 or defeat of a clearly identified candidate or candidates, or the
14 qualification, passage, or defeat of a clearly identified ballot
15 measure.

16 (1) “Clearly identified” is defined as follows:

17 (A) A candidate is clearly identified if the communication states
18 his or her name, makes unambiguous reference to his or her office
19 or status as a candidate, or unambiguously describes him or her
20 in any manner.

21 (B) A group of candidates is clearly identified if the
22 communication makes unambiguous reference to some well-defined
23 characteristic of the group, even if the communication does not
24 name each candidate. A communication that clearly identifies a
25 group of candidates and expressly advocates their election or
26 defeat is reportable as an expenditure, but the expenditure need
27 not be allocated among all members of the class or group on the
28 campaign statement reporting the expenditure.

29 (C) A measure that has qualified to be placed on the ballot is
30 clearly identified if the communication states a proposition number,
31 official title, or popular name associated with the measure. In
32 addition, the measure is clearly identified if the communication
33 refers to the subject matter of the measure and either states that
34 the measure is before the people for a vote or, taken as a whole
35 and in context, unambiguously refers to the measure.

36 (D) A measure that has not qualified to be placed on the ballot
37 is clearly identified if the communication refers to the subject
38 matter of the measure and the qualification drive.

39 (2) A communication “expressly advocates” the nomination,
40 election, or defeat of a candidate or the qualification, passage, or

1 *defeat of a measure if it contains express words of advocacy such*
2 *as “vote for,” “elect,” “support,” “cast your ballot,” “vote*
3 *against,” “defeat,” “reject,” “sign petitions for,” or, within 60*
4 *days before an election in which the candidate or measure appears*
5 *on the ballot, the communication otherwise refers to a clearly*
6 *identified candidate or measure so that the communication, taken*
7 *as a whole, unambiguously urges a particular result in an election.*

8 (A) *Except for those communications paid for with public*
9 *moneys by a state or local government agency, a communication,*
10 *taken as a whole, unambiguously urges a particular result in an*
11 *election if it is susceptible of no reasonable interpretation other*
12 *than as an appeal to vote for or against a specific candidate or*
13 *measure. A communication is susceptible of no reasonable*
14 *interpretation other than as an appeal to vote for or against a*
15 *specific candidate or measure when, taken as a whole, it could*
16 *only be interpreted by a reasonable person as containing an appeal*
17 *to vote for or against a specific candidate or measure because of*
18 *both of the following:*

19 (i) *The electoral portion of the communication is unmistakable,*
20 *unambiguous, and suggestive of only one meaning.*

21 (ii) *Reasonable minds could not differ as to whether it*
22 *encourages a vote for or against a clearly identified candidate or*
23 *measure, or encourages some other kind of action on a legislative,*
24 *executive, or judicial matter or issue.*

25 (B) *The following non-exhaustive examples, referring to*
26 *candidates or measures on the ballot in an upcoming election,*
27 *illustrate statements that in most contexts would be susceptible of*
28 *no reasonable interpretation other than as an appeal to vote for*
29 *or against a specific candidate or measure: “Smith’s the One”;*
30 *“No Measure A”; “Rally ‘round O’Malley”; “Create jobs with*
31 *Measure X”; “Only Nancy Brown can clean out City Hall”;*
32 *“Proposition 123 - your last change to save California”; “Joe*
33 *Green will earn your trust”; “Bob Boone is an unqualified for*
34 *office and a special-interest puppet”; “Shirley Hall - bad for*
35 *California, bad for you.”*

36 (C) *The following non-exhaustive examples, referring to*
37 *candidates or measures on the ballot in an upcoming election,*
38 *illustrate statements that would be susceptible of a reasonable*
39 *interpretation other than as an appeal to vote for or against a*
40 *specific candidate or measure: “Assemblymember Nancy Brown*

1 *needs to be tough on criminals. Call her and tell her to stand firm*
2 *on AB 100”; “Poor children need a home too. Support the Mayor’s*
3 *stance against more budget cuts”; “Thank you, Supervisor Smith,*
4 *for continuing to support our farmers.”*

5 *(D) Safe Harbor. A communication does not expressly advocate*
6 *the nomination, election, or defeat of a candidate, or the*
7 *qualification, passage, or defeat of a measure, within the meaning*
8 *of this section, if both of the following apply:*

9 *(i) The communication does not mention an election, candidacy,*
10 *political party unless required by law, opposing candidate, or*
11 *voting by the general public, and it does not take a position on the*
12 *character, qualifications, or fitness for office of a candidate or*
13 *officeholder, or the merits of a ballot measure.*

14 *(ii) The communication focuses on a legislative, executive, or*
15 *judicial matter or issue, either urging a candidate to take a*
16 *particular position or action with respect to the matter or issue,*
17 *or urging the public to adopt a particular position and to contact*
18 *the candidate with respect to the matter or issue.*

19 *(E) Rules of Interpretation. If a communication does not qualify*
20 *for the safe harbor described in subparagraph (D), the Commission*
21 *shall consider whether the communication has an interpretation*
22 *other than as an appeal to vote for or against a clearly identified*
23 *candidate or measure, in order to determine whether, on balance,*
24 *the communication is susceptible of no reasonable interpretation*
25 *other than as an appeal to vote for or against a clearly identified*
26 *candidate or measure.*

27 *(3) Reporting Expenditures.*

28 *(A) The amount of an expenditure reportable pursuant to this*
29 *subdivision shall include all costs directly attributable to the*
30 *communication, including, but not limited to, salaries, production,*
31 *postage, space or time purchased, agency fees, printing, and any*
32 *additional administrative or overhead costs attributable to the*
33 *communication. The expenditure does not include any of the*
34 *regular ongoing business overhead that will be incurred in similar*
35 *amounts regardless of the communication.*

36 *(B) When a printed or broadcast communication circulates*
37 *outside the state, the expenditure may be calculated on the basis*
38 *of the fraction of the total cost attributable to circulation within*
39 *the state.*

1 (C) Costs directly traceable to the communication are reportable
2 when the communication is made, or when payments are made in
3 connection with the development, production, or dissemination of
4 the communication, whichever occurs first.

5 (D) The costs of printing and distributing petitions, recruiting,
6 training and paying expenses of petition circulators, and other
7 costs incurred in connection with the qualification of a measure
8 are reportable expenditures.

9 (4) Notwithstanding this subdivision, “expenditure” does not
10 include costs incurred for communications that expressly advocate
11 the nomination, election, or defeat of a clearly identified candidate
12 or candidates, or the qualification, passage, or defeat of a clearly
13 identified measure or measures by either of the following:

14 (A) A broadcasting station, including a cable or satellite
15 television operation, programmer, or producer, Internet Web site,
16 or a regularly published newspaper, magazine, or other periodical
17 of general circulation, including an Internet or electronic
18 publication, that routinely carries news and commentary of general
19 interest, for the cost of covering or carrying a news story,
20 commentary, or editorial.

21 (B) A regularly published newsletter or regularly published
22 periodical, other than those specified in subparagraph (A), whose
23 circulation is limited to an organization’s members, employees,
24 shareholders, other affiliated individuals, and those who request
25 or purchase the publication. This subparagraph applies only to
26 the costs regularly incurred in publishing the newsletter or
27 periodical. If additional costs are incurred because the newsletter
28 or periodical is issued on other than its regular schedule, expanded
29 in circulation, or substantially altered in style, size, or format, the
30 additional costs are expenditures.

31 (5) The term expenditure also does not include uncompensated
32 Internet activity by an individual supporting or opposing a
33 candidate or measure as stated in Section 18215.2 of Division 6
34 of Title 2 of the California Code of Regulations.

35 (d) A payment used to make contributions, as defined in Section
36 82015, is an expenditure.

37 **SECTION 1.**

38 **SEC. 3.** Section 84305 of the Government Code is amended
39 to read:

1 84305. (a) Except as provided in subdivision (b), a candidate,
2 candidate controlled ~~committee~~, *committee established for an*
3 *elective office for the controlling candidate*, or political party
4 committee shall not send a mass mailing unless the name, street
5 address, and city of the candidate or committee are shown on the
6 outside of each piece of mail in the mass mailing and on at least
7 one of the inserts included within each piece of mail of the mailing
8 in no less than 6-point type that is in a color or print that contrasts
9 with the background so as to be easily legible. A post office box
10 may be stated in lieu of a street address if the candidate's,
11 controlled committee's, or political party committee's address is
12 a matter of public record with the Secretary of State.

13 (b) *A candidate, candidate controlled committee established*
14 *for an elective office for the controlling candidate, or political*
15 *party committee shall not send a mass electronic mailing unless*
16 *the name of the candidate or committee are shown in the electronic*
17 *mailing preceded by the words "Paid for by" in at least the same*
18 *size font as a majority of the text in the electronic mailing.*

19 ~~(b)~~

20 (c) If the sender of the mass mailing *or mass electronic mailing*
21 is a single candidate or committee, the name, street address, and
22 city of the candidate or committee need only be shown on the
23 outside of each piece of ~~mail~~. *mail or in the electronic mail itself.*

24 ~~(e)~~

25 (d) If the sender of a mass mailing is a controlled committee,
26 the name of the person controlling the committee shall be included
27 in addition to the information required by subdivision (a).

28 ~~(d) For purposes of this section, the sender is the candidate or~~
29 ~~committee who pays for the largest portion of expenditures~~
30 ~~attributable to the designing, printing, and posting of the mailing~~
31 ~~which are reportable under Sections 84200 to 84217, inclusive.~~

32 ~~(e) For purposes of this section, to pay for a share of the cost~~
33 ~~of a mass mailing means to make, to promise to make, or to incur~~
34 ~~an obligation to make, any payment for either of the following:~~

35 ~~(1) To any person for the design, printing, postage, materials~~
36 ~~or other costs, including salaries, fees, or commissions, of the~~
37 ~~mailing.~~

38 ~~(2) As a fee or other consideration for an endorsement or, in the~~
39 ~~case of a ballot measure, support or opposition in the mailing.~~

1 (e) For purposes of this section, the following terms have the
2 following meaning:

3 (1) A “mass electronic mailing” has been made when more
4 than two hundred substantially similar pieces of electronic mail
5 have been sent within a calendar month.

6 (2) The “sender” is the candidate, candidate controlled
7 committee established for an elective office for the controlling
8 candidate, or political party committee who pays for the largest
9 portion of expenditures attributable to the designing, printing, and
10 posting of the mailing which are reportable pursuant to Sections
11 84200 to 84217, inclusive.

12 (3) To “pay for” a share of the cost of a mass mailing means
13 to make, to promise to make, or to incur an obligation to make,
14 any payment: (A) to any person for the design, printing, postage,
15 materials, or other costs of the mailing, including salaries, fees,
16 or commissions, or (B) as a fee or other consideration for an
17 endorsement or, in the case of a ballot measure, support or
18 opposition, in the mailing.

19 ~~SEC. 2.~~

20 SEC. 4. Section 84310 of the Government Code is amended
21 to read:

22 84310. (a) A candidate, candidate controlled ~~committee,~~
23 ~~committee established for an elective office for the controlling~~
24 ~~candidate,~~ political party committee, or slate mailer organization
25 shall not expend campaign funds, directly or indirectly, to pay for
26 telephone calls that are similar in nature and aggregate 500 or more
27 in number, made by an individual, or individuals, or by electronic
28 means and that advocate support of, or opposition to, a candidate,
29 ballot measure, or both, unless during the course of each call the
30 name of the candidate, candidate controlled ~~committee,~~ ~~committee~~
31 ~~established for an elective office for the controlling candidate,~~
32 political party committee, or slate mailer organization that
33 authorized or paid for the call is disclosed to the recipient of the
34 call. Unless the organization that authorized the call and in whose
35 name it is placed has filing obligations under this title, and the
36 name announced in the call either is the full name by which the
37 organization or individual is identified in any statement or report
38 required to be filed under this title or is the name by which the
39 organization or individual is commonly known, the candidate,
40 candidate controlled committee established for an elective office

1 *for the controlling candidate, political party* committee, or slate
2 mailer organization that paid for the call shall be disclosed. This
3 section shall not apply to telephone calls made by the candidate,
4 the campaign manager, or individuals who are volunteers.

5 (b) Campaign and ballot measure committees are prohibited
6 from contracting with any phone bank vendor that does not disclose
7 the information required to be disclosed by subdivision (a).

8 (c) A candidate, committee, or slate mailer organization that
9 pays for telephone calls as described in subdivision (a) shall
10 maintain a record of the script of the call for the period of time set
11 forth in Section 84104. If any of the calls qualifying under
12 subdivision (a) were recorded messages, a copy of the recording
13 shall be maintained for that period.

14 ~~SEC. 3.~~

15 *SEC. 5.* Section 84501 of the Government Code is amended
16 to read:

17 84501. For purposes of this article the following terms have
18 the following meanings:

19 (a) (1) “Advertisement” means any general or public
20 communication which is authorized and paid for by a committee
21 for the purpose of supporting or opposing a candidate or candidates
22 for elective office or a ballot measure or ballot measures.

23 (2) “Advertisement” does not include any of the following:

24 (A) A communication paid for by a political party committee
25 or a candidate controlled committee established for an elective
26 office for the controlling candidate.

27 (B) A communication from an organization, other than a political
28 party, to its members.

29 (C) A campaign button smaller than 10 inches in diameter; a
30 bumper sticker smaller than 60 square inches; or a small tangible
31 promotional item, such as a pen, pin, or key chain, upon which the
32 disclosures required by this article cannot be conveniently printed
33 or displayed.

34 (D) Wearing apparel.

35 (E) Sky writing.

36 (F) An electronic media communication ~~if~~ *where* inclusion of
37 the disclosures required by Section 84502, 84503, or 84506.5, is
38 impracticable or would ~~substantively~~ *severely* interfere with the
39 committee’s ability to convey the intended message because of
40 the nature of the technology used to make the communication.

(G) Any other communication as determined by regulations of the Commission.

(b) “Cumulative contributions” means the cumulative amount of contributions received by a committee beginning 12 months before the date of the expenditure and ending seven days before the time the advertisement is sent to the printer or broadcaster.

(c) (1) “Top contributors” means the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of fifty thousand dollars (\$50,000) or more.

(2) If two or more contributors of identical amounts qualify as top contributors, the most recent contributor of that amount shall be listed as the top contributor in any disclosure required by Section 84503.

(3) If a contributor appears to qualify as a top contributor but received earmarked funds to make the contribution, the person or committee that earmarked the funds and gave those funds to the contributor shall instead be disclosed as the top contributor if they qualify as such contributor. The person or committee transferring earmarked funds shall disclose the true source of the funds to the committee receiving the earmarked funds at the time the funds are transferred, and the committee receiving those funds may reasonably rely upon that disclosure for purposes of complying with Section 84503. Funds are “earmarked” in the following circumstances:

(A) The contributor solicited and received the funds from donors for the *express* purpose of making a contribution to the committee paying for the advertisement.

(B) The funds were given to the contributor subject to ~~a condition, agreement, or understanding~~ *an express condition or agreement* with the donor that all or a portion would be used to make a contribution to the committee paying for the advertisement, ~~including any circumstance where the donor identifies the committee as a potential recipient of the contribution and the committee in fact receives all or a portion of the donor’s contribution.~~ *advertisement.*

(C) The contributor had existing funds from a donor and a subsequent agreement ~~or understanding~~ was reached with the donor that all or a portion of the funds would be used to contribute to the committee paying for the ~~advertisement, including any~~

1 ~~circumstance where the donor identifies the committee as a~~
2 ~~potential recipient of the contribution and the committee in fact~~
3 ~~receives all or a portion of the donor's contribution.~~ *advertisement.*

4 ~~SEC. 4.~~

5 *SEC. 6.* Section 84502 of the Government Code is repealed.

6 ~~SEC. 5.~~

7 *SEC. 7.* Section 84502 is added to the Government Code, to
8 read:

9 84502. (a) Any advertisement paid for by a committee pursuant
10 to subdivision (a) of Section 82013 shall include the words "Paid
11 for by" followed ~~by, in all capital letters,~~ *by* the name of the
12 committee as it appears on the most recent Statement of
13 Organization filed pursuant to Section 84101.

14 (b) Any advertisement paid for by a committee pursuant to
15 subdivision (b) or (c) of Section 82013 shall include the words
16 "Paid for by" followed ~~by, in all capital letters,~~ *by* the name that
17 the filer is required to use on campaign statements pursuant to
18 subdivision (o) of Section 84211.

19 ~~SEC. 6.~~

20 *SEC. 8.* Section 84503 of the Government Code is repealed.

21 ~~SEC. 7.~~

22 *SEC. 9.* Section 84503 is added to the Government Code, to
23 read:

24 84503. (a) Any advertisement paid for by a committee pursuant
25 to subdivision (a) of Section 82013 shall include the words "This
26 committee has major funding from" followed by the names of the
27 top contributors to the committee paying for the advertisement. If
28 fewer than three contributors qualify as top contributors, only those
29 contributors that qualify shall be disclosed pursuant to this section.
30 If there are no contributors that qualify as top contributors, this
31 disclosure is not required. ~~If the content of the radio advertisement~~
32 ~~or telephonic message names each of the top contributors as major~~
33 ~~funding sources of the committee, this disclosure is not required.~~

34 (b) The disclosure of a top contributor pursuant to this section
35 need not include terms such as "incorporated," "committee,"
36 "political action committee," or "corporation," or abbreviations
37 of these terms, unless the term is part of the contributor's name in
38 common usage or parlance.

39 (c) If this article requires the disclosure of the name of a top
40 contributor that is a committee pursuant to subdivision (a) of

1 Section 82013 and is a sponsored committee pursuant to Section
2 82048.7 with a single sponsor, only the name of the single
3 sponsoring organization shall be disclosed.

4 (d) This section does not apply to a committee as defined by
5 subdivision (b) or (c) of Section ~~82013 or a political party~~
6 ~~committee~~. 82013.

7 ~~SEC. 8.~~

8 *SEC. 10.* Section 84504 of the Government Code is repealed.

9 ~~SEC. 9.~~

10 *SEC. 11.* Section 84504 is added to the Government Code, to
11 read:

12 84504. (a) An advertisement that is disseminated over the
13 radio or by telephonic means shall include the disclosures required
14 by Sections 84502, 84503, and 84506.5 at the beginning or end of
15 the advertisement, read in a clearly spoken manner and in a pitch
16 and tone substantially similar to the rest of the advertisement, and
17 shall last no less than three seconds.

18 (b) Notwithstanding the definition of “top contributors” in
19 paragraph (1) of subdivision (c) of Section 84501, radio and
20 prerecorded telephonic advertisements shall be required to disclose
21 only the ~~single top contributor~~ *top two contributors* of fifty
22 thousand dollars (\$50,000) or ~~more~~. *more unless the advertisement*
23 *lasts 15 seconds or less or the disclosure statement would last*
24 *more than eight seconds, in which case only the single top*
25 *contributor of \$50,000 or more shall be disclosed.*

26 ~~SEC. 10.~~

27 *SEC. 12.* Section 84504.1 is added to the Government Code,
28 to read:

29 84504.1. (a) An advertisement that is disseminated as a video,
30 including advertisements on television and videos disseminated
31 over the Internet, shall include the disclosures required by Sections
32 84502 and 84503 at the beginning or end of the advertisement.

33 (b) The disclosure required by subdivision (a) shall be written
34 and displayed for at least five seconds of a broadcast of thirty
35 seconds or less or for at least ten seconds of a broadcast that lasts
36 longer than thirty seconds.

37 (1) The written disclosure required by subdivision (a) shall
38 appear on a solid black background on the entire bottom one-third
39 of the television or video display ~~screen~~ *screen, or bottom*
40 *one-fourth of the screen if the committee does not have or is*

1 *otherwise not required to list top contributors*, and shall be in a
2 contrasting color in Arial equivalent type, and the type size for the
3 ~~tallest~~ *smallest* letters in the written disclosure shall be ~~exactly~~ 4
4 percent of the height of the television or video display screen. The
5 top contributors, if any, shall each be disclosed on a separate
6 horizontal line, in descending order, beginning with the top
7 contributor who made the largest cumulative contributions on the
8 first line. The name of each of the top contributors shall be centered
9 horizontally. The written disclosures ~~required by Sections 84502~~
10 ~~and 84503~~ shall be underlined, except for the names of the top
11 contributors, if any.

12 (2) A committee *that is not subject to Section 84506.5 and that*
13 *is* subject to Section 84223 shall include the text “Funding Details
14 At [insert Commission Internet Web site with information required
15 ~~to be posted by subdivision (c) of Section 84223].” site].”~~ The
16 text shall be in contrasting color *to the background color required*
17 *in paragraph (1) in Arial equivalent type and the type size shall*
18 *be equivalent to at least 2.5 percent of the height of the television*
19 *or video display screen.*

20 (3) If using a type size of 4 percent of the height of the television
21 or video display screen causes the name of any of the top
22 contributors to exceed the width of the screen or causes the
23 disclosures to exceed one-third of the television or video display
24 screen, the type size of the name of the top contributor shall be
25 reduced until the top contributor’s name fits on the width of the
26 screen or the entire disclosure fits within one-third of the television
27 or video display screen, but in no case shall the type size be smaller
28 than 2.5 percent of the height of the screen.

29 (c) *An advertisement that is an independent expenditure*
30 *supporting or opposing a candidate shall include the appropriate*
31 *statement from Section 84506.5 in the solid black background*
32 *described in paragraph (1) of subdivision (b) below all other text*
33 *required to appear in that area in a contrasting color and in Arial*
34 *equivalent type no less than 2.5 percent of the height of the*
35 *television or video display screen.*

36 ~~SEC. 11.~~

37 *SEC. 13.* Section 84504.2 is added to the Government Code,
38 to read:

1 84504.2. (a) A print advertisement shall include the disclosures
2 required by Sections 84502, 84503, and 84506.5, displayed as
3 follows:

4 (1) The disclosure area shall have a solid white background and
5 shall be in a printed or drawn box on the bottom of at least one
6 page that is set apart from any other printed matter. All text in the
7 disclosure area shall be in contrasting color.

8 (2) The text shall be in an Arial equivalent type with a type size
9 of at least 10-point for printed advertisements designed to be
10 individually distributed, including, but not limited to, mailers,
11 flyers, and door hangers.

12 (3) The top contributors, if any, shall each be disclosed on a
13 separate horizontal line, in descending order, beginning with the
14 top contributor who made the largest cumulative contributions on
15 the first line. The name of each of the top contributors shall be
16 centered horizontally in the disclosure area.

17 (4) Immediately below the text described in paragraph (3),
18 committees subject to Section 84223 shall include the text
19 “Funding Details At [insert Commission Internet Web-site with
20 ~~information required to be posted by subdivision (c) of Section~~
21 ~~84223].” site].” The text shall be in an Arial equivalent type with
22 a type size of at least 10-point for printed advertisements designed
23 to be individually distributed, including, but not limited to, mailers,
24 flyers, and door hangers.~~

25 (b) Notwithstanding paragraphs (2) and (4) of subdivision (a),
26 the disclosures required by Sections 84502, 84503, and 84506.5
27 on a printed advertisement that is larger than those designed to be
28 individually distributed, including, but not limited to, yard signs
29 or billboards, shall be in Arial equivalent type with a type size of
30 at least 5 percent of the height of the advertisement, and printed
31 on a solid background with sufficient contrast that is easily readable
32 by the average ~~person~~ viewer. The text may be adjusted so it does
33 not appear on separate horizontal lines, with the top contributors
34 separated by a comma.

35 (c) Notwithstanding the definition of “top contributors” in
36 paragraph (1) of subdivision (c) of Section 84501, newspaper,
37 magazine, or other public print advertisements that are 20 square
38 inches or less shall be required to disclose only the single top
39 contributor of fifty thousand dollars (\$50,000) or more.

~~SEC. 12.~~

SEC. 14. Section 84504.3 is added to the Government Code, to read:

~~84504.3. (a) An electronic media advertisement shall do all of the following:~~

~~(1) Contain the disclosures required by Sections 84502, 84503, and 84506.5 in a type size and font that is clear and conspicuous; visible for a period of at least four seconds and contrasts with the background so as to be easily readable by the average person; unless impractical or would substantively interfere with a committee's ability to convey the intended message because of the nature of the technology used to make the communication. The Commission may prescribe by regulation minimal disclaimer requirements if inclusion of the full disclaimer is deemed impractical.~~

~~(2) Hyperlink to an Internet Web site containing the text required by paragraph (1).~~

84504.3. (a) An electronic media advertisement, other than an Internet Web site, shall comply with both of the following:

(1) Include the text "Who funded this ad?" in a contrasting color and a font size that is easily readable to the average viewer.

(2) Such text shall be a hyperlink to an Internet Web site containing the disclosures required by Sections 84502, 84503, and 84506.5 in a contrasting color and in no less than 8 point font.

(b) Notwithstanding subdivision (a), the text required by paragraph (1) of subdivision (a) is not required if including the language would be impracticable. In such circumstances the advertisement need only include a hyperlink to an Internet Web site containing the disclosures required by Sections 84502, 84503, and 84506.5.

(c) Notwithstanding subdivisions (a) and (b), an Internet Web site shall include the disclosures required by Sections 84502, 84503, and 84506.5 in a contrasting color and in no less than 8 point font.

~~(b)~~

(d) An Internet Web site that is hyperlinked to as provided for in paragraph (2) of subdivision (a) shall remain online and available to the public until 30 days after the date of the election in which the candidate or ballot measure supported or opposed by the advertisement was voted upon.

1 ~~(e)~~

2 (e) An advertisement made via a form of electronic media that
3 is audio only and therefore cannot include either of the disclaimers
4 in subdivision (a) shall comply with the disclaimer requirements
5 for radio advertisements in Section 84504.

6 ~~(d)~~

7 (f) An advertisement made via a form of electronic media that
8 allows users to engage in discourse and post content, or any other
9 type of social media, shall only be required to include the
10 disclaimer required by subdivision (a) on the committee's home
11 page, landing page, disclosures required by Sections 84502, 84503,
12 and 84506.5 in a contrasting color and in no less than 8 point font
13 on the committee's profile, landing page, or similar location and
14 shall not be required to include the disclaimer required by
15 subdivision (a) on each individual post, comment, or other similar
16 communication.

17 ~~(e)~~

18 (g) The disclaimer required by this section does not apply to
19 advertisements made via social media where the only expense or
20 cost of the communication is compensated staff time unless the
21 social media account where the content is posted was created only
22 for the purpose of advertisements governed by this title.

23 ~~SEC. 13.~~

24 SEC. 15. Section 84505 of the Government Code is amended
25 to read:

26 84505. (a) In addition to the requirements of Sections 84502,
27 84503, and 84506.5, the committee placing the advertisement or
28 persons acting in concert with that committee shall be prohibited
29 from creating or using a noncandidate-controlled committee or a
30 nonsponsored committee to avoid, or that results in the avoidance
31 of, the disclosure of any individual, industry, business entity,
32 controlled committee, or sponsored committee as a top contributor.

33 (b) Written disclosures required by Sections 84503 and 84506.5
34 shall not appear in all capital letters provided, however, capital
35 letters shall be permitted for the beginning of a sentence, the
36 beginning of a proper name or location, or as otherwise required
37 by conventions of the English language.

38 ~~SEC. 14.~~

39 SEC. 16. Section 84506 of the Government Code is repealed.

~~SEC. 15.~~

SEC. 17. Section 84506.5 of the Government Code is amended to read:

84506.5. ~~(a)~~ An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include the following statement in 14-point font: *This a statement that it was not authorized by a candidate or a committee controlled by a candidate. If the advertisement was authorized or paid for by a candidate for another office, the expenditure shall instead include a statement that "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office. office."*

~~(b)~~ A mailed advertisement subject to this section shall also comply with each of the following:

~~(1)~~ The disclosure statement in subdivision (a) shall be located within one quarter of an inch of the recipient's name and address as printed on the advertisement.

~~(2)~~ The text of the disclosure statement shall be contained in a box with an outline that has a line weight of at least 3.25 pt. The background color of the box shall be in a contrasting color to the background of the advertisement. The outline of the box shall be in a contrasting color to both the background color of the advertisement and the background color of the box. The color of the text shall be in a contrasting color to the background color of the box.

~~SEC. 16.~~

SEC. 18. Section 84507 of the Government Code is repealed.

~~SEC. 17.~~

SEC. 19. Section 84508 of the Government Code is repealed.

~~SEC. 18.~~

SEC. 20. Section 84509 of the Government Code is repealed.

~~SEC. 19.~~

SEC. 21. Section 84509 is added to the Government Code, to read:

84509. If the order of top contributors required to be disclosed pursuant to this article changes or a new contributor qualifies as a top contributor, the disclosure in the advertisement shall be updated as follows:

(a) A television, radio, telephone, electronic billboard, or other electronic media advertisement shall be updated to reflect the new

1 top contributors within ~~seven business days, or five business days~~
2 ~~if the change in top contributors occurs within 30 days of an~~
3 ~~election, five business days~~. A committee shall be deemed to have
4 complied with this paragraph if the amended advertisement is
5 delivered, containing a request that the advertisement immediately
6 be replaced, to all affected broadcast stations or other location
7 where the advertisement is placed no later than the fifth business
8 day.

9 (b) A print media advertisement, including nonelectronic
10 billboards, shall be updated to reflect the new top contributors
11 before placing a new or modified order for additional printing of
12 the advertisement.

13 ~~SEC. 20.~~

14 SEC. 22. Section 84511 of the Government Code is amended
15 to read:

16 84511. (a) This section applies to a committee that does either
17 of the following:

18 (1) Makes an expenditure of five thousand dollars (\$5,000) or
19 more to an individual for his or her appearance in an advertisement
20 that supports or opposes the qualification, passage, or defeat of a
21 ballot measure.

22 (2) Makes an expenditure of any amount to an individual for
23 his or her appearance in an advertisement that supports or opposes
24 the qualification, passage, or defeat of a ballot measure and that
25 states or suggests that the individual is a member of an occupation
26 that requires licensure, certification, or other specialized,
27 documented training as a prerequisite to engage in that occupation.

28 (b) A committee described in subdivision (a) shall file, within
29 10 days of the expenditure, a report that includes all of the
30 following:

31 (1) An identification of the measure that is the subject of the
32 advertisement.

33 (2) The date of the expenditure.

34 (3) The amount of the expenditure.

35 (4) The name of the recipient of the expenditure.

36 (5) For a committee described in paragraph (2) of subdivision
37 (a), the occupation of the recipient of the expenditure.

38 (c) An advertisement paid for by a committee described in
39 paragraph (1) of subdivision (a) shall include a disclosure statement
40 stating "(spokesperson's name) is being paid by this campaign or

1 its donors” in highly visible font shown continuously if the
2 advertisement consists of printed or televised material, or spoken
3 in a clearly audible format if the advertisement is a radio broadcast
4 or telephonic message. If the advertisement is a television or video
5 advertisement, the statement shall be shown continuously, except
6 when the disclosure statement required by Section 84504.1 is being
7 shown.

8 (d) (1) An advertisement paid for by a committee described in
9 paragraph (2) of subdivision (a) shall include a disclosure statement
10 stating “Persons portraying members of an occupation in this
11 advertisement are compensated spokespersons not necessarily
12 employed in those occupations” in highly visible font shown
13 continuously if the advertisement consists of printed or televised
14 material, or spoken in a clearly audible format if the advertisement
15 is a radio broadcast or telephonic message.

16 (2) A committee may omit the disclosure statement required by
17 this subdivision if all of the following are satisfied with respect to
18 each individual identified in the report filed pursuant to subdivision
19 (b) for that advertisement:

20 (A) The occupation identified in the report is substantially
21 similar to the occupation portrayed in the advertisement.

22 (B) The committee maintains credible documentation of the
23 appropriate license, certification, or other training as evidence that
24 the individual may engage in the occupation identified in the report
25 and portrayed in the advertisement and makes that documentation
26 immediately available to the Commission upon request.

27 ~~SEC. 21.~~

28 *SEC. 23.* Section 85704 of the Government Code is amended
29 to read:

30 85704. (a) A person shall not make any contribution to any
31 committee or candidate that is earmarked for a contribution to any
32 ~~other committee~~ *particular committee, ballot measure*, or candidate
33 unless the contribution is fully disclosed pursuant to Section 84302.

34 (b) For purposes of *subdivision (a)* of this section a contribution
35 is earmarked if the contribution is made under any of the following
36 circumstances:

37 (1) The committee or candidate receiving the contribution
38 solicited the contribution for the purpose of making a contribution
39 to another ~~committee or candidate and requested the contributor~~
40 ~~to consent to such use.~~ *specifically identified committee, ballot*

1 *measure, or candidate, requested the contributor to expressly*
2 *consent to such use, and the contributor consents to such use.*

3 (2) ~~The contribution was made subject to a condition, agreement,~~
4 ~~or understanding condition or agreement with the contributor that~~
5 ~~all or a portion of the contribution would be used to make a~~
6 ~~contribution to another committee or candidate, including any~~
7 ~~circumstance in which the contributor identifies the committee or~~
8 ~~candidate as a potential recipient of the contribution and the~~
9 ~~committee or candidate in fact receives all or a portion of the~~
10 ~~contributor's contribution. specifically identified committee, ballot~~
11 ~~measure, or candidate.~~

12 (3) After the contribution was made, the contributor and the
13 committee or candidate receiving the contribution ~~reaching~~ *reached*
14 a subsequent agreement ~~or understanding~~ that all or a portion of
15 the contribution would be used to make a contribution to another
16 committee or candidate, including any circumstance in which the
17 contributor identifies the committee or candidate as a potential
18 recipient of the contribution and the committee or candidate in
19 fact receives all or a portion of the contributor's contribution.
20 *specifically identified committee, ballot measure, or candidate.*

21 (c) *Notwithstanding subdivision (a) and (b), dues, assessments,*
22 *fees, and similar payments made to a membership organization in*
23 *an amount less than that specified in subdivision (a) of Section*
24 *85303 per calendar year from a single source for the purpose of*
25 *making contributions or expenditures shall not be considered*
26 *earmarked.*

27 (d) *A violation of this section shall not be based solely on the*
28 *timing of contributions made or received.*

29 ~~SEC. 22.~~

30 SEC. 24. No reimbursement is required by this act pursuant to
31 Section 6 of Article XIII B of the California Constitution because
32 the only costs that may be incurred by a local agency or school
33 district will be incurred because this act creates a new crime or
34 infraction, eliminates a crime or infraction, or changes the penalty
35 for a crime or infraction, within the meaning of Section 17556 of
36 the Government Code, or changes the definition of a crime within
37 the meaning of Section 6 of Article XIII B of the California
38 Constitution.

1 ~~SEC. 23.~~

2 *SEC. 25.* The Legislature finds and declares that this bill
3 further the purposes of the Political Reform Act of 1974 within
4 the meaning of subdivision (a) of Section 81012 of the Government
5 Code.

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